

THE LEONARD LETTER

January 3, 2006

QUOTE OF THE WEEK

"In the future days, which we seek to make secure, we look forward to a world founded upon four essential human freedoms. The first is freedom of speech and expression-everywhere in the world. The second is freedom of every person to worship God in his own way- everywhere in the world. The third is freedom from want- which, translated into world terms, means economic understandings which will secure to every nation a healthy peacetime life for its inhabitants-everywhere in the world. The fourth is freedom from fear..." --- President Franklin Delano Roosevelt, January 6, 1941

AROUND THE STATE

*****Leonard Blog is Up*****

You may have noticed some of my stories from the last few issues indicated they were first posted to the blog. What that means is that I posted comments on the day they were written to my blog site at <http://billleonard.org>. I will be doing this frequently and then reprinting them in the following week's Leonard Letter. In addition, I welcome your comments on my blog posts. I will share selected comments for the benefit of my readers, who are among the smartest in the land. I recommend adding the website to your favorites list to check regularly. You may email me directly with your comments or thoughts on California government and political issues at bill.leonard@billleonard.org.

UNDER THE DOME

*****Money for Roads*****

Californians are drivers and California is the portal to the nation for global trade. Those two facts make our roads one of the biggest factors in our quality of life and economic success. Yet, there is a \$13 billion backlog in street and bridge rehabilitation projects. That number does not even begin to touch on the new roads and freeways our state desperately needs. Voters are passionate about having their tax dollars go to transportation infrastructure projects, and in 2002 nearly 70% of them approved Prop. 42 to designate gas tax revenues to pay for road projects. Unfortunately, fiscal irresponsibility by the state meant some shuffling of funds in 2003 and 2004. Since the state needed money for other purposes, local governments were loaned money from the state transportation fund and required to repay it with their Prop. 42 designated revenue from 2006 to 2008. The state is now in better fiscal shape than it was a few years ago; now is the time for the state to restore that local funding and not delay any transportation projects. However, the solution being floated is that those funds come from the proposed infrastructure bond (currently in the form of SB1024, Perata). You have already read here that I believe this bond to be a bad idea. Rather than paying debt service each year, we should take that amount of

money (I estimate it to be about \$3 billion on the \$50 billion bond being discussed.) and spend that each year on the capital projects we need. I would start with filling the Prop. 42 gap created in 2003-04 and then begin to work down that \$13 billion list of needs.

*****Making More of Money for Schools*****

If there is one thing voters want to fund more than roads, it is schools. Yet in most states, only one-half to two-thirds of every dollar designated for public education actually makes it into the classroom. The rest of the money is spent on business operations like transportation, food services and administration. Those costs tend to be driven down in large districts where there are economies of scale, but the downside is that student performance tends to be higher in small districts, not large ones. Dr. Dan King of San Bernardino talked with me about this paradox more than two decades ago.

A new study by the Reason Foundation and Deloitte Research finds a middle ground between these two choices: shared services. The report (available at <http://www.reason.org/ps339.pdf>) details how small school districts can join together to create economies of scale for everything from instructional services to transportation, real estate services and human resources management. The report also discusses the benefits of decentralization, and I was particularly impressed with the story of John Hay Elementary School in Seattle. There the principal worked with her teachers to develop a new class schedule and hire part-time reading and math coaches. Reading was taught in small groups of five to seven students and gifted students experienced “turbo-tutoring” to challenge them. In four years, the school’s math scores rose from the 36th percentile to the 62nd and reading jumped four percentiles.

ISSUE FOCUS

*****Tax Refund Scam*****

The IRS is also warning taxpayers about a new internet scam. In this one, you may receive a bogus email from "tax-refunds@irs.gov" that indicates you are eligible for a tax refund. There is a link to a website that asks for your personal and financial information, and once someone provides that, their identity—and possibly some of their money--- is stolen. The IRS does not send emails about tax refunds, so if you receive one, it falls under the category of “too good to be true.” You can read about this and other tax scams at <http://www.irs.gov/newsroom/article/0,,id=98269,00.html>

*****Scams Aplenty*****

I receive a lot of junk email. I have spam filters that catch much of it, but plenty get through the filters, too. If you are like me, you see plenty of offers, invitations and solicitations, and I hope you delete them religiously. Even so, I was surprised by last week’s news from AOL and the National Cyber Security Alliance that a full one-quarter of all emails are phone emails seeking your personal financial information. Known as “phishing,” such emails lure readers to a very phony yet real-looking website for legitimate companies. When people enter their personal data

at those websites, they become the victims of identity and monetary theft. Unfortunately, the AOL/NCSA study found that 70% of consumers believe phishing emails are legitimate and are tricked into revealing personal information.

MISCELLANY

*****Sharing Good Wishes*****

I know Leonard Letter readers responded generously to my earlier request to share your holiday blessings with our military personnel serving abroad. I now ask that you send your thoughts to those who have been injured in their service. You may send cards and good thoughts to:

A Recovering American Soldier
c/o Walter Reed Army Medical Center
6900 Georgia Avenue, N.W.
Washington, D.C. 20307-5001

*****Get to Know the Valley*****

A former staff member from my senate days, Kenneth W. Umbach, Ph.D., has written a new publication for the California State Library about our state's breadbasket. "San Joaquin Valley Land, People, Economy" gives updated information about this large region of California and puts into context the region's challenges with growth, immigration, agriculture, environmental issues and education. Anyone seeking to understand California and its opportunities should understand the San Joaquin Valley, and Umbach's report is a good start. You may find it at <http://www.library.ca.gov/crb/05/07/05-007.pdf>

*****A Good Read*****

I like to begin each new year with a book that offers inspiration for the year ahead. This year I recommend to you the very inspiring story of Olympic gold medallist Eric Liddell. If you are not familiar with his name, you will recognize the story from the movie "Chariots of Fire." In that film Liddell's Christian convictions about keeping the Sabbath kept him from competing in the Olympic track events scheduled on a Sunday. That may be all you know about him, but there is much more to his life. The book "Eric Liddell Pure Gold" by David McCasland details Liddell's work as a missionary in China teaches the true meaning of Christ-like service, emboldened by humility and prayer. Liddell died at the age of 43 of a brain tumor while at a Japanese internment camp in China. The legacy he left is not just one of athletic prowess, but one of touching faith that I hope will help you start 2006 with a more gracious and motivated outlook.

BOE AND LEGISLATIVE DATES

January 5, 2006 --- Governor's 2006 State of the State Address

January 16, 2006 --- Martin Luther King Jr. birthday holiday.

January 31-February 1, 2006 --- BOE meets in Sacramento.

February 13, 2006 --- Abraham Lincoln's birthday holiday.

February 13, 2006 --- First day Declaration of Candidacy and Nominations papers can be turned in for candidates running in the June primary election.

February 20, 2006 --- Presidents' Day/George Washington's birthday holiday.

February 23, 2006 --- Last day to turn in petitions in-lieu of the filing fee for the June 2006 primary election.

March 7-9, 2006 --- BOE meets in Culver City.

NOTABLE DATES/ HISTORY

January 3, 1521 --- German Reformer Martin Luther, 38, was excommunicated by Pope Leo X for challenging Catholic Church doctrine. Luther soon after began translating the Bible into the German language.

January 3, 1876 --- First free kindergarten in U.S. opened in Florence, MA.

January 4, 1796 --- Samuel Huntington, a U.S. judge who had signed the Declaration of Independence, died at 64.

January 4, 1998 --- U.S. Rep. Sonny Bono died skiing at the age of 62.

January 4, 1982 --- The Golden Gate Bridge closed for the third time by fierce storm.

January 4, 1995 --- Newt Gingrich became Speaker of the House.

January 5, 1781 --- The British naval expedition led by Benedict Arnold burned Richmond, VA

January 5, 1850 --- California Exchange opened.

January 5, 1854 --- The steamship San Francisco wrecked, killing 300 people.

January 5, 1933 --- Work on the Golden Gate Bridge began (on the Marin County side).

January 6, 1759 --- George Washington married Martha Dandridge Custis.

January 7, 1789 --- The first national (Presidential) election was held in the U.S.

January 7, 1986 --- U.S. President Reagan proclaimed economic sanctions against Libya.

January 8, 1675 --- The first American commercial corporation was chartered (New York Fishing Co.).

January 8, 1790 --- George Washington delivered the first “State of the Union” address.

January 8, 1838 --- The first telegraph message was sent using dots and dashes.

January 8, 1867 --- Republicans overrode Democrat President Andrew Johnson’s veto of a law granting voting rights to African-Americans in D.C.

January 8, 1964 --- President Lyndon B. Johnson declared the “War on Poverty.”

January 8, 1965 --- Senator Everett Dirksen introduced a bill to make the marigold the national flower. It did not pass.

January 8, 1996 --- For the first time in 25 years no one was elected to the Baseball Hall of Fame.

GENERAL TAX INFORMATION

For answers to your general tax questions, call the Board of Equalization information center. Customer service representatives are available to help you from 8:00 a.m. to 5:00 p.m. Pacific time, Monday through Friday (except state holidays).

Toll-free number: 800-400-7115
TDD service for the hearing impaired
TDD phones: 800-735-2929
Voice phones: 800-735-2922

To reach the Taxpayer Rights Advocate’s office for assistance with any BOE issues, see <http://www.boe.ca.gov/tra/tra.htm>, or call toll-free 1-888-324-2798.

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